

PICO HOLDINGS INC /NEW
 Form 4
 September 23, 2005

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
HART JOHN R

2. Issuer Name and Ticker or Trading Symbol
PICO HOLDINGS INC /NEW [PICO]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)
875 PROSPECT STREET, SUITE 301
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
09/21/2005

Director 10% Owner
 Officer (give title below) Other (specify below)
President and CEO

LA JOLLA, CA 92037-4264

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | Code V Amount (A) or (D) Price | | | |
| COMMON | 09/21/2005 | | | M 143,140 A \$ 3.49 | 3,355,685 (1) | D | |
| COMMON | 09/21/2005 | | | D 143,140 D \$ 33.23 | 3,355,685 (1) | D | |
| COMMON | 09/21/2005 | | | M 63,283 A \$ 4.74 | 3,355,685 (1) | D | |
| COMMON | 09/21/2005 | | | D 63,283 D \$ 33.23 | 3,355,685 (1) | D | |
| COMMON | 09/21/2005 | | | M 175,347 A \$ 13.45 | 3,355,685 (1) | D | |
| COMMON | 09/21/2005 | | | D 175,347 D \$ | 3,355,685 (1) | D | |

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| | | | | | | | |
|--------|------------|--|---|---------|---|-------------|----------------------------|
| | | | | | | 33.23 | |
| COMMON | 09/21/2005 | | M | 456,586 | A | \$ 15 | 3,355,685 ⁽¹⁾ D |
| COMMON | 09/21/2005 | | D | 456,586 | D | \$ 33.23 | 3,355,685 ⁽¹⁾ D |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title a Underlyi (Instr. 3) | |
|--|--|--------------------------------------|--|--------------------------------|---|--|--------------------------------|-------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title |
| STOCK APPRECIATION RIGHTS | \$ 3.49 | 09/21/2005 | | M | 143,140 | 07/17/2003 | 08/08/1988 ⁽²⁾ | COMM |
| STOCK APPRECIATION RIGHTS | \$ 4.74 | 09/21/2005 | | M | 63,283 | 07/17/2003 | 08/08/1988 ⁽²⁾ | COMM |
| STOCK APPRECIATION RIGHTS | \$ 13.45 | 09/21/2005 | | M | 175,347 | 07/17/2003 | 08/08/1988 ⁽²⁾ | COMM |
| STOCK APPRECIATION RIGHTS | \$ 15 | 09/21/2005 | | M | 456,586 | 07/17/2003 | 08/08/1988 ⁽²⁾ | COMM |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-------------------|-------|
| | Director | 10% Owner | Officer | Other |
| HART JOHN R 875 PROSPECT STREET SUITE 301 LA JOLLA, CA 92037-4264 | X | | President and CEO | |

Signatures

John R. Hart by James F. Mosier per Power of Attorney dated September 17, 2002.

09/23/2005

__Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
 - ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) (1) Of these shares 16,652 are held in a 401k Plan and Mr. Hart's shares voting power over 3,333,333 shares owned by a limited partnership.
 - (2) (2) There is no expiration date.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.